

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE MONTANA PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF NORTHWESTERN)	
ENERGY'S Revised Electric Default)	
Supply Tracker Filing for the Period)	UTILITY DIVISION
July 1, 2004 through June 30, 2005 and for)	
The Forecasted Period July 1, 2005 through)	DOCKET NO. D2005.5.88
June 30, 2006)	

ADDENDUM TO THE STIPULATION AND AGREEMENT OF NORTHWESTERN
ENERGY AND THE MONTANA CONSUMER COUNSEL

COMES NOW NorthWestern Corporation, d/b/a NorthWestern Energy (NorthWestern or NWE), Applicant in the above entitled proceedings and the Montana Consumer Counsel (MCC) and propose this Addendum to the Stipulation and Agreement between NWE and MCC submitted to the Montana Public Service Commission (MPSC or Commission) for its consideration in this Docket.

The Addendum presents the agreement between the MCC and NWE regarding how certain transaction costs for which NWE has agreed to be responsible will be accounted for and removed from the tracker.

I. BACKGROUND

NWE filed its Application in this matter on June 17, 2005, which was followed by a revised application on September 30, 2005. Formal intervention was sought by the MCC and granted by the Commission. The MCC and NWE entered into Stipulation and Agreement on March 20, 2006, to settle certain issues within the Docket. Specifically: (1) Basin Creek dispatch volumes and the costs of short-term purchases associated with Basin Creek dispatch during the 2005/2006 tracking period; (2) the quantity of short term purchases assumed in the 2005/2006 tracker year; (3) NWE's PPL Sunday purchases; and (4) The inclusion in the Tracker of replacement costs for sales for future delivery made to Avista in January of 2003. The remaining matters in the Docket were addressed by the MPSC at a contested case hearing on March 22, 2005. NWE and the MCC entered into this Addendum to clarify the procedure for removing and accounting for certain costs associated with the January 2003 Avista sales from the Tracker.

II. TRACKER ADJUSTMENTS ASSOCIATED WITH THE JANUARY 2003 PURCHASES AND SALES TO AVISTA

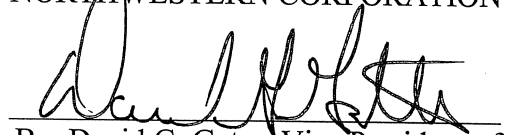
1. The MCC and NWE have agreed that in regard to sales for future delivery made to Avista in January of 2003: (a) NWE shall be financially responsible for all replacement costs associated with these sales for the 2005/2006, 2006/2007, and 2007/2008 tracking periods; (b) NWE shall be allowed to recover replacement costs associated with these sales for the 2004-2005 tracker period; (c) NWE has recovered replacement costs associated with these sales for the 2003/2004 tracker period; and (d) these issues are settled for the purposes of this Docket.

2. During the 2005/2006 tracking period costs associated with certain sales to Avista energy and related replacement volumes were considered part of Default Supply service and included in tracker calculations. The MCC and NWE have agreed that these certain sales should not be part of Default Supply service and they, along with an equal volume of purchases, must be removed from the 2005/2006 tracker calculations.

3. The MCC and NWE have agreed that the attached schedule will be used to determine the volume and corresponding dollar value of purchases and sales that will be removed from tracker calculations for the 2005/2006 tracking period.

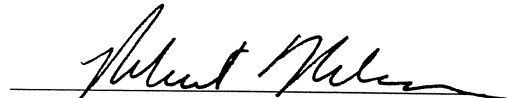
IN WITNESS WHEREOF, the MCC and NWE hereto have executed this Addendum and hereby incorporate it into the March 20, 2006 Agreement and Stipulation by reference as of June 22, 2006.

NORTHWESTERN CORPORATION



By: David G. Gates, Vice President of
Wholesale Operations

MONTANA CONSUMER COUNSEL



By: Robert Nelson
Consumer Counsel

**Attachment to the Addendum to the Stipulation and Agreement of
NorthWestern Energy and the Montana Consumer Counsel
Purchases and Sales to be Removed from the 2005/2006 Tracker**

	Sales		Purchases	
	MWh	Value	MWh	Value
July 2005	(8,600)	\$ 305,300	(8,600)	\$ 373,280
August 2005	(7,800)	\$ 276,900	(7,800)	\$ 410,101
September 2005	(8,000)	\$ 284,000	(8,000)	\$ 439,300
October 2005	(8,225)	\$ 291,988	(8,225)	\$ 477,970
November 2005	(8,000)	\$ 284,000	(8,000)	\$ 463,538
December 2005	(8,200)	\$ 291,100	(8,200)	\$ 727,524
January 2006	(7,400)	\$ 262,700	(7,400)	\$ 515,040
February 2006	(7,200)	\$ 255,600	(7,200)	\$ 408,600
March 2006	(7,800)	\$ 276,900	(7,800)	\$ 354,900
April 2006	0	\$ -	0	\$ -
May 2006	0	\$ -	0	\$ -
June 2006	0	\$ -	0	\$ -
Total	(71,225)	\$ 2,528,488	(71,225)	\$ 4,170,252